

**MINUTES OF SPECIAL MEETING  
2005 SERIES A SINGLE FAMILY MORTGAGE BONDS  
March 30, 2005, 9:00 A.M.**

Notice having been given, the Montana board of Housing held a special meeting on the sale and awarding of its 2005 Series A Single Family Program Bonds. The meeting took place via teleconference to discuss the Bond Resolution, awarding of the bonds, final pricing, and the Purchase Contract. Present were:

Board members: Bob Thomas, Susan Moyer, Judy Glendenning, J.P. Crowley, and Betsy Scanlin

MBOH Staff: Bruce Brensdal, Scott Hoversland, Charles Nemec, Bob Morgan, Jeannene Maas, Mat Rude, and Diana Hall.

Legal Counsel: Pat Melby

Bond Counsel: John Wagner, Ann Atkinson

UBS: Peter Nolden, Mina Choo, and Lorrie Palacios

Orrick Herrington: Steve Spitz

Bob Thomas convened the meeting at 9:00 a.m. after a roll call was taken and a quorum was established.

Peter Nolden summarized the deal and said it was a successful sale. The market, measured by US Treasuries, improved dramatically since Monday by almost 6 basis points. The treasury market rallied, but the municipal bond market was off 1-2 basis points as measured by the MMD index. The improvement to the 10-year treasury was probably the biggest improvement in 3-4 weeks. Peter summarized the changes from Monday. The premium PAC bonds completed at 4.13%. The longest bonds came in at 5%. The overall saving of the restructured transaction and pricing was 5 basis points and allowed them to restructure and extended the average life of the maturities. The break even mortgage rate will be 5¾%. Peter said there was a variety of institutional investors who included: Freddie Mac, American Express, State Street Trust Company, Progressive Insurance, Selective Bond Fund, and Lord Abbott Bond Fund. This morning the stock market is up 70 points and the treasury market is flat from where it ended yesterday, which is 4.58 on a 10-year bond and 4.84 on the 30-year bond. Oil is down slightly at

53.88 a barrel and the market has a somewhat nervous tone to it. On Friday, they will announce non-farm payroll, which is an indication of payroll unemployment. The concern is that if that number is up, it means more people are employed, and it would mean another inflationary sign to the market and rates will go back up.

Peter said the signature pages of the bond purchase contract have been faxed to Bruce. The good faith check for the purchase contract has been wired to Montana Board of Housing's account at Wells Fargo, the trustee and they have acknowledged receipt. John Wagner explained the Resolution and answered questions for new Board members. J. P. Crowley moved to accept Resolution 05-0330-S1 as stated. Judy Glendenning seconded the motion. The motion passed by a roll call vote. Bruce will sign the Bond Purchase Contract and fax it to Peter Nolden and Steve Spitz.

There being no further business, the meeting adjourned at 9.25 a.m.

---

Bob Thomas, Chairman

---

Date

---

Bruce Brensdal

---

Date